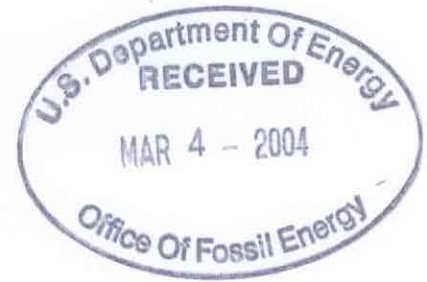


UNITED STATES OF AMERICA
THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



TransCanada Power Marketing Ltd.

APPLICATION FOR RENEWAL OF TRANSCANADA POWER
MARKETING LTD'S AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO CANADA

TransCanada Power Marketing Ltd. ("TCPM"), pursuant to Section 202(e) of the Federal Power Act ("FPA") 16 U.S.C. Section 824a(e)) and 10 C.F.R. Section 205.300 to 205.309, hereby files this application for renewal of its blanket authority to transmit electric energy from the United States to Canada. TCPM was granted authority in Order No. EA-262 to export electric energy to Canada for a period of two years, such authorization expiring on June 4, 2004.

I.
DESCRIPTION OF APPLICANT

The exact legal name of Applicant is TransCanada Power Marketing Ltd. TCPM is a Delaware corporation with its principal place of business in Westborough, MA. TCPM is wholly owned by TransCanada PipeLine USA Ltd., which is, itself, a wholly owned subsidiary of TransCanada PipeLines Limited. TransCanada PipeLines Limited is a direct, wholly-owned subsidiary of TransCanada Corporation, a recently established holding company that became effective on May 15, 2003. To date, TCPM has qualified to do business in the states of Delaware, Connecticut, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

TCPM does not directly own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. TCPM's upstream owner, TransCanada PipeLines Limited, owns through its subsidiaries a 100% ownership interest in an exempt wholesale generator located in Rhode Island (Ocean State Power); a 100% ownership interest in an exempt wholesale generator located in New York (Curtis Palmer); and a 40%

ownership interest in another exempt wholesale generator located in New York (Castleton) as defined in Section 3(25) [16 U.S.C. Section 796 (25)] of the FPA. TCPM operates as a marketer¹ and broker of electric power at wholesale and at retail and arranges services in related areas such as fuel supplies and transmission services. TCPM is under long term contract to purchase power from the Ocean State Power and Castleton facilities and, thereby, indirectly affects the dispatch of these facilities.

TCPM will purchase the power to be exported from electric utilities and federal marketing agencies as defined in Sections 3(22) and (19) [16 U.S.C. Section 796 (22) and (19)] of the FPA. The instant application relates to TCPM as a marketer of electric power only.

II. JURISDICTION

No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this application.

III. COMMUNICATIONS

All service and correspondence concerning this application should be sent to:

Angela Avery
Associate General Counsel
TransCanada Power Marketing Ltd.
450 – 1st Street, S.W.
Calgary, Alberta
T2P 5H1

Ph: (403) 920-2171
Fax: (403) 920-2354

¹ As used herein, the terms "marketer" and "power marketer" means an entity that buys and sells electric power for its own account. The Federal Energy Regulatory Commission ("FERC") issued a Letter Order on March 2, 1998 authorizing TCPM to make sales of electric power at wholesale in interstate commerce at market-based rates, a copy of which is attached hereto as Attachment 1.

IV. TECHNICAL DISCUSSION OF PROPOSAL

TCPM seeks authority to transmit electric power to Canada as a power marketer. As noted above, TCPM has no "system" of its own on which its exports of power could have a reliability or stability impact. TCPM will purchase the power to be exported from electric utilities and federal power marketing agencies as those terms are defined in Section 3(22) and (10) of the FPA. By definition, such power is surplus to the system of the generator and thus will not impair the sufficiency of the electric power supply within the United States.²

TCPM will make all necessary commercial arrangement and will obtain any and all other regulatory approvals required in order to effect any power exports. This would include: a) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the Northern American Electric Reliability Council ("NERC") and member regional councils in effect at the time of export; and b) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.³

As the Department of Energy ("DOE") noted in Order No. EA-102 issued to Enron Power Marketing, Inc.⁴ (referred to hereinafter as "Enron"), the DOE may utilize the reliability analyses performed in the most recent export authorization proceedings of the above-named transmission systems in order to make the findings required for a grant of export authority to TCPM. TCPM respectfully requests that DOE do so and agrees to abide by the export limits contained in the relevant export authorization of any transmission system over which TCPM exports electric power to Canada. The controls which are inherent in any transaction which complies with all NERC requirements and the export limits imposed by DOE on the above-named transmission systems are sufficient to ensure that exports by TCPM would not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

² Order No. EA-102, issued February 6, 1996, to Enron Power Marketing, Inc.

³ The location and owners of the relevant border transmission facilities are set forth in Exhibit C.

⁴ Order No. EA-102, issued February 6, 1996 to Enron Power Marketing, Inc.

V. PROCEDURES

TCPM proposes to comply with procedures similar to those imposed by *Enron*. From time to time TCPM will enter into agreements with third parties which involve the export of electric power from the United States to Canada. Prior to commencing (or continuing) the export of electric power under such agreements, TCPM will provide DOE with written evidence that sufficient transmission access to complete the export transaction has been obtained. TCPM will make and preserve complete records with respect to the electric power exported to Canada and will provide DOE with quarterly reports within 30 days following each calendar quarter. These quarterly reports will show the gross amount of kilowatt-hours of electric energy delivered and the consideration received therefor during each month of the previous quarter and the maximum hourly rate of transmission.

VI. EXHIBITS AND ATTACHMENTS

The following Exhibits and Attachments are attached hereto:

Exhibit A – Agreements – Not applicable at this time

Exhibit B – Legal opinion of TCPM's counsel

Exhibit C – Transmission system information (submitted in lieu of maps)

Exhibit D – Non-U.S. Applicant's power of attorney – Not applicable

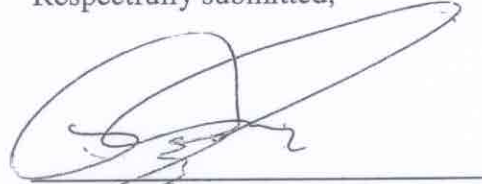
Exhibit E – Statement of any corporate relationship or existing contract which in any way relates to the control or fixing of electric power rates – Not applicable

Exhibit F – Operating procedures regarding available capacity and energy – Not applicable

**VII.
CONCLUSION**

TransCanada Power Marketing Ltd. respectfully requests that this application for renewal of blanket authority to transmit electric energy to Canada be expeditiously considered and approved on substantially similar terms as were imposed in *Enron*.

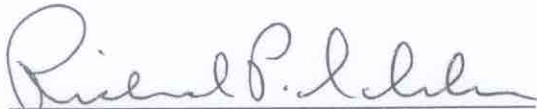
Respectfully submitted,



Bill Taylor
Vice-President
TransCanada Power Marketing Ltd.

DATED: February 25, 2004

Sworn before me at WESTBOROUGH
MASSACHUSETTS, this 25th
day of FEBRUARY, 2004.



A Commissioner for Oaths

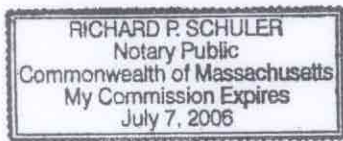



EXHIBIT B

I certify the following:

TCPM is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation. The proposed export of electricity will not conflict with or result in any breach of any provision of applicant's certificate of incorporation or its by-laws and is within the corporate power of the applicant. TCPM is in compliance with all pertinent federal and state laws.



Angela Avery
Associate General Counsel
(Member of the Bar of the Province of Alberta)

DATED at Calgary, Alberta
this 26th day of February, 2004

EXHIBIT C

TCPM intends to deliver electric energy to Canada through transmission facilities that are located at border crossing points between the State of New York and the Province of Ontario (i.e., Cornwall and Niagara crossing points). The Canadian interconnection facilities are owned by Hydro One Networks Inc. and the American interconnection facilities are owned by the New York Power Authority. Order EA-262 authorized TCPM to use existing international transmission facilities for which assessments of the transmission limits for operation in the export mode had been made:

Owner	Location	Voltage	Presidential Permit
Basin Electric	Tioga, ND	230-kV	PP-64
BPA	Blaine, WA	2-500 kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46
Citizens Utilities Company	Derby Line, VT	120 kV	PP-66
Eastern Maine Electric Cooperative	Calais, ME	69 kV	PP-32
International Transmission Company	Detroit, MI	230 kV	PP-230
	Marysville, MI	230 kV	PP-230
	St. Clair, MI	230 kV	PP-230
	St. Clair, MI	345 kV	PP-230
Joint Owners of Highgate Project	Highgate, VT	120 kV	PP-82
Long Sault, Inc.	Massena, NY	2-115 kV	PP-24
Maine Electric Power Company	Houlton, ME	345 kV	PP-43
Maine Public Service Company	Limestone, ME	69 kV	PP-12
	Fort Fairfield, ME	69 kV	PP-12
	Aroostock County, ME	138 kV	PP-29
	Madawaska, ME	2-69 kV	PP-29
Minnesota Power, Inc.	International Falls, MN	115 kV	PP-78
Minnkota Power Cooperative, Inc.	Roseau County, MN	230 kV	PP-61
New York Power Authority	Massena, NY	765 kV	PP-56
	Massena, NY	2-230 kV	PP-25
	Niagara Falls, NY	2-345 kV	PP-74
	Devils Hole, NY	230 kV	PP-30
Niagara Mohawk Power Corp	Devils Hole, NY	230 kV	PP-190
Northern States Power Company	Red River, ND	230 kV	PP-45
	Roseau County, MN	500 kV	PP-63
Vermont Electric Transmission Co.	Norton, VT	±450 kV DC	PP-76